

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

C

W-02060A  
Cordes Lakes Water Company  
P. O. Box 219  
Tempe AZ 852800219

**ANNUAL REPORT**  
**RECEIVED**

MAR 28 2005

AZ Corporation Commission  
Director Of Utilities

**FOR YEAR ENDING**

12	31	2004
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FOR COMMISSION USE

ANN04	04
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## COMPANY INFORMATION

**Company Name (Business Name)** Cordes Lakes Water

**Mailing Address** P.O. Box 219  
(Street)  
Tempe AZ 85282  
(City) (State) (Zip)

480-966-5804 480-967-7857  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address** NFOLK5804@COWEST.NET

**Local Office Mailing Address** \_\_\_\_\_  
(Street)  
\_\_\_\_\_  
(City) (State) (Zip)

**Local Office Telephone No. (Include Area Code)** \_\_\_\_\_ **Fax No. (Include Area Code)** \_\_\_\_\_ **Pager/Cell No. (Include Area Code)** \_\_\_\_\_

**Email Address** \_\_\_\_\_

## MANAGEMENT INFORMATION

**Management Contact:** NEIL FOLKMAN VP  
(Name) (Title)

P.O. Box 219 TEMPE AZ 85282  
(Street) (City) (State) (Zip)

480-966-5804 480-967-7857  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address** NFOLK5804@COWEST.NET

**On Site Manager:** BOB MITCHELL  
(Name)

P.O. Box 219 \_\_\_\_\_  
(Street) (City) (State) (Zip)

\_\_\_\_\_  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address** T

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

**Statutory Agent:** NEIL FOLKMAN  
(Name)

2501 E. PAZ VERDE PKY AZ 85014  
(Street) (City) (State) (Zip)

602-956-1690  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Attorney:** NONE  
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

- |   |  |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S)    | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input type="checkbox"/> Subchapter S Corporation (Z)                                |
| <input type="checkbox"/> Bankruptcy (B)         | <input type="checkbox"/> Association/Co-op (A)                                       |
| <input type="checkbox"/> Receivership (R)       | <input type="checkbox"/> Limited Liability Company                                   |
| <input type="checkbox"/> Other (Describe) _____ |  |

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- |                                     |   |                                   |
|-------------------------------------|---|-----------------------------------|
| <input type="checkbox"/> APACHE     | <input type="checkbox"/> COCHISE            | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA       | <input type="checkbox"/> GRAHAM             | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ     | <input type="checkbox"/> MARICOPA           | <input type="checkbox"/> MOHAVE   |
| <input type="checkbox"/> NAVAJO     | <input type="checkbox"/> PIMA               | <input type="checkbox"/> PINAL    |
| <input type="checkbox"/> SANTA CRUZ | <input checked="" type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA     |
| <input type="checkbox"/> STATEWIDE  |   |                                   |

COMPANY NAME

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	800	0	800
304	Structures and Improvements	17,846	13,879	3,967
307	Wells and Springs	115,718	55,857	59,862
311	Pumping Equipment	109,753	57,712	52,041
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	273,572 <del>263,452</del>	145,662	117,790 <del>117,790</del>
331	Transmission and Distribution Mains	613,359	604,721	8,638
333	Services			
334	Meters and Meter Installations	177,859	105,168	72,691
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	42,747 <del>36,554</del>	4,001	38,746
340	Office Furniture and Equipment	8,517	1,593	6,924
341	Transportation Equipment	58,630	9,104	49,526
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>1,488,801</b>	<b>997,498</b>	<b>421,804</b>

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	800	0	<del>800</del> <sup>0</sup>
304	Structures and Improvements	17,846	5	892
307	Wells and Springs	115,718	5	5,786
311	Pumping Equipment	109,753	5	5,488
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	273,572	5	13,173
331	Transmission and Distribution Mains	613,359	5	645
333	Services	177,859	5	8,893
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	42,747	5	<del>2,137</del> <sup>2,137</sup>
340	Office Furniture and Equipment	8,517	5	426
341	Transportation Equipment	58,630	5	2,932
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>1,418,807</b>		<b>42,336</b>

This amount goes on the Comparative Statement of Income and Expense  
Acct. No. 403.

40,372

COMPANY NAME

## BALANCE SHEET

Acct .No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 110,359	\$ 148,381
134	Working Funds		
135	Temporary Cash Investments	135,217	2074,095
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 245,576	\$ 2,222,476
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 4,411,896	\$ 1,418,801
103	Property Held for Future Use		<del>2,222,476</del>
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	3,104,542	421,104
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 1,307,354	\$ 997,697
	<b>TOTAL ASSETS</b>	\$ 1,552,930	\$ 3,220,173

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$ 28,428	\$ 30,753
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	30,000	
235	Customer Deposits	104,721	100,596
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 163,149	\$ 131,349
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$	\$
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	17,800	0
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	59,973	74,014
272	Less: Amortization of Contributions	5,611	4,685
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ 72,162	\$ 78,699
	<b>TOTAL LIABILITIES</b>	\$ 235,311	\$ 210,048
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 100,000	\$ 100,000
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	1,217,619	2,910,125
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ 1,317,619	\$ 3,010,125
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 1,552,930	\$ 3,220,173

COMPANY NAME

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 1,546,679	\$ 1,357,850
460	Unmetered Water Revenue		
474	Other Water Revenues	4,685	70,102
	<b>TOTAL REVENUES</b>	\$ 1,551,364	\$ 1,427,952
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 588,590	\$ 565,093
610	Purchased Water		
615	Purchased Power	142,399	129,816
618	Chemicals	6,450	7,896
620	Repairs and Maintenance	49,783	33,360
621	Office Supplies and Expense	54,423	68,784
630	Outside Services	198,564	261,818
635	Water Testing	15,293	9,574
641	Rents	56,050	62,350
650	Transportation Expenses	13,847	14,895
657	Insurance -- General Liability	22,575	18,821
659	Insurance - Health and Life	22,010	53,521
666	Regulatory Commission Expense -- Rate Case		
675	Miscellaneous Expense	31,118	18,413
403	Depreciation Expense	155,981	40,372
408	Taxes Other Than Income	92,396	101,884
408.11	Property Taxes	62,758	68,651
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	\$ 1,517,239	\$ 1,455,288
	<b>OPERATING INCOME/(LOSS)</b>	\$ 34,125	\$ <21,285>
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$ 80	\$ 16,395
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	<20,687>	<19,649>
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$	\$
	<b>NET INCOME/(LOSS)</b>	\$ 13,518	\$ <24,539>



COMPANY NAME

**SUPPLEMENTAL FINANCIAL DATA**  
**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 61,104

Meter Deposits Refunded During the Test Year

\$ 14,102

COMPANY NAME

## WATER COMPANY PLANT DESCRIPTION

### WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-690346	7 1/2		280	14	3	1970
55-518196	7 1/2		500	8	3	1971
55-609234	2		555	6	3	1985
55-609347	7 1/2		500	12	3	1990
55-565855	7 1/2		343	10	3	2001

\* Arizona Department of Water Resources Identification Number

### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
7 1/2	8		
10	2		
5	4		
1	1 1/2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
45000	2	5000	4
30000	2	3000	1
16000	1	1000	5
100,000	1	500	1

COMPANY NAME

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	168, 100
5		
6	PVC	230, 810
8		
10		
12		

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	
3/4	1341
1	5
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	
TURBO 3	6

For the following three items, list the utility owned assets in each category.

**TREATMENT EQUIPMENT:**

CHLORINATORS (PENET) MOST WELLS

**STRUCTURES:**

PUMP HOUSES & FENCES - CONCRETE  
BLOCK OR WOOD @ EACH WELL SITE

**OTHER:**

COMPANY NAME:

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	1176	4,672,000	4,718
FEBRUARY	1168	3,962,000	4,101
MARCH	1198	4,221,000	4,711
APRIL	1192	5,411,000	6,060
MAY	1191	6,344,000	6,217
JUNE	1198	8,826,000	8,914
JULY	1186	8,094,000	8,417
AUGUST	1194	6,972,000	7,380
SEPTEMBER	1198	7,492,000	7,489
OCTOBER	1198	5,415,000	5,415
NOVEMBER	1211	4,262,000	4,175
DECEMBER	1227	4,148,000	4,459
TOTAL			66,775

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( ) Yes

(☒) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes

(☒) No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system. \_\_\_\_\_ mg/l

(If more than one well, please list each separately.)

**Note:** If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME \_\_\_\_\_ YEAR ENDING 12/31/2004

### PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2004 was: \$ 68,691.05

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

0100005693

This Statement:  
November 30, 2004  
PAGE 3 of 10

2004 14 various pcts.  
CONDOS LAKES WATER CO.  
TAVARE COUNTY  
11-73226  
Processed 11/03/04 \$38656.42 Ch# 2230

onal Bank of Arizona ACCOUNT #  
CONDOS LAKES WATER CO.  
TAVARE COUNTY  
Processed 05/27/04 \$30034.63 Ch# 1987

COMPANY NAME \_\_\_\_\_

YEAR ENDING 12/31/2004

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported  
Estimated or Actual Federal Tax Liability0  
0State Taxable Income Reported  
Estimated or Actual State Tax Liability0  
56.07

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances  
Amount of Gross-Up Tax Collected  
Total Grossed-Up Contributions/Advances0  
0  
0

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
SIGNATURE3/20/05  
DATENEIL FOLKMAN  
PRINTED NAMEVP  
TITLE

RECEIVED

VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only

MAR 28 2005

AZ Corporation Commission  
Director Of Utilities

VERIFICATION

STATE OF \_\_\_\_\_

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	MARICOPA
NAME (OWNER OR OFFICIAL) TITLE	NEIL R. FOLKMAN
COMPANY NAME	CORDES LAKES WATER CO

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2004 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 1,427,952

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 101,884  
IN SALES TAXES BILLED, OR COLLECTED)

\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 18 DAY OF

(SEAL)

MY COMMISSION EXPIRES

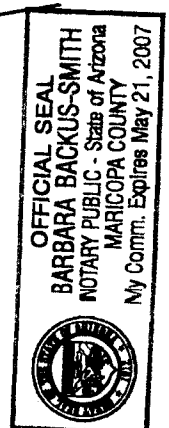
5/21/07

SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

COUNTY NAME	MARICOPA
MONTH	MARCH
YEAR	2005

SIGNATURE OF NOTARY PUBLIC



VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY

**RECEIVED**

MAR 28 2005

AZ Corporation Commission  
Director Of Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>MARICOPA</u>	
NAME (OWNER OR OFFICIAL) <u>NEIL FOLKMAN</u>	TITLE <u>VP</u>
COMPANY NAME <u>CORDS LAKES WATER CO</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION  
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.


**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2004 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES  \$ <u>1,427,952</u>
--

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 101,884  
IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

  
SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 18 DAY OF

NOTARY PUBLIC NAME <u>BARBARA BACKUS SMITH</u>	
COUNTY NAME <u>MARICOPA</u>	
MONTH <u>MARCH</u>	.20 <u>05</u>

(SEAL)

MY COMMISSION EXPIRES

5/21/07

X



SIGNATURE OF NOTARY PUBLIC

